

To the Members of the California State Assembly:

I am returning Assembly Bill 2097 without my signature.

This bill would allow a redevelopment agency to divert funds set aside for the construction of affordable housing to finance supportive services which include staff salaries and other ongoing costs. While the intent of this bill, to increase social services for individuals who are homeless, is laudable, AB 2097 would set a precedent for the expenditure of redevelopment funds on ongoing, programmatic costs that create new levels of financial risk for taxpayers. Because redevelopment funds are based largely on bond indebtedness, they should be strictly limited to one-time costs associated with capital improvements and other physical work. In addition, this bill would reduce the available funding for actual housing production, which undermines state and local efforts to increase affordable housing opportunities for families with low and moderate incomes.

For these reasons, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger